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CANADA



CALEDONIAN INSURANCE COMPANY



History of a hundred years

1805

1905



GLASGOW



DUNDEE



MANCHESTER



NEWCASTLE



BIRMINGHAM



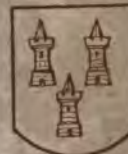
DUBLIN



BRISTOL



LIVERPOOL



ABERDEEN



LEEDS

HEAD OFFICE
19 GEORGE STREET
EDINBURGH

LONDON OFFICE
82 KING WILLIAM STREET



AUSTRALIA

★DR. ISIDOR SINGER,

31 DEC. 087

Caledonian
SIKA

CALEDONIAN

Insurance Company

HISTORY

OF

A HUNDRED YEARS

1805 TO 1905



THE NEW YORK
PUBLIC LIBRARY
ASTOR LENOX
TILDEN FOUNDATION



CALEDONIAN HEAD OFFICE—REBUILT 1878.
GROUND FLOOR AND ELEVATION ALTERED 1904.

CALEDONIAN

Insurance Company

HISTORY

OF

A HUNDRED YEARS

1805 TO 1905

EDINBURGH

PRINTED BY T. AND A. CONSTABLE

Printers to His Majesty

1905
M.G.C.

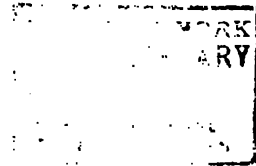
THE
LIBRARY OF THE
MUSEUM OF
ART AND HISTORY
OF THE
CITY OF
NEW YORK
100 N. 5TH ST.
NEW YORK, N.Y. 10017

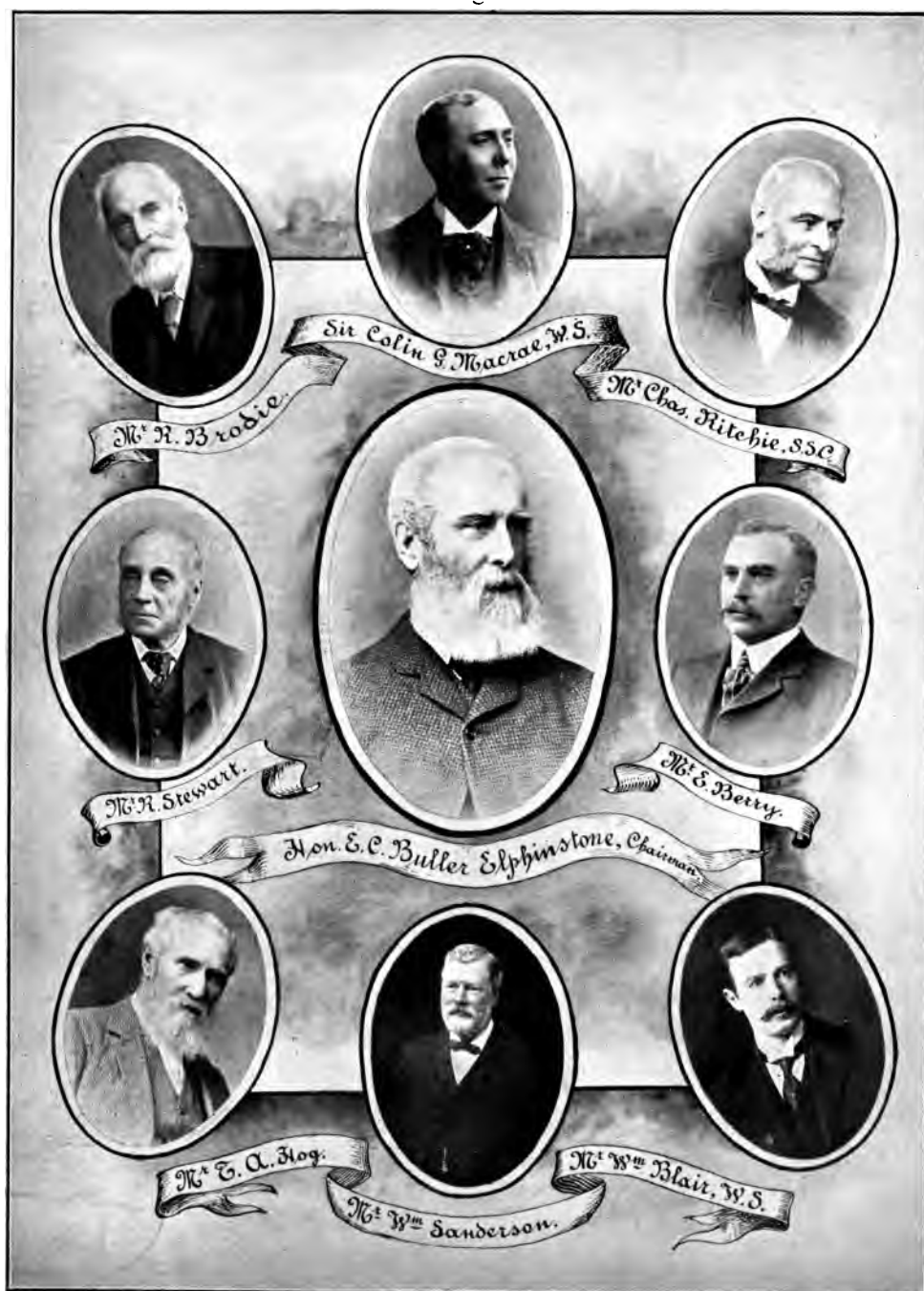
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DIRECTORS.

DIRECTORS

1904-1905

HON. E. C. BULLER ELPHINSTONE, *Chairman.*

ROBERT BRODIE, Esq., Writer, Glasgow.

SIR COLIN MACRAE, Writer to the Signet.

CHARLES RITCHIE, Esq., Solicitor Supreme Courts.

ROBERT STEWART, Esq., of Kinlochmoidart.

EDMUND BERRY, Esq., Merchant, Leith.

THOMAS ALEXANDER HOG, Esq., of Newliston.

WILLIAM SANDERSON, Esq., Distiller.

WILLIAM BLAIR, Esq., Writer to the Signet.

General Manager.—ROBERT CHAPMAN.

Fire Manager.—JAMES COWAN.

Secretary and Actuary.—R. HILL STEWART, F.F.A.

Assistant Secretary.—T. MACMASTER. *Assistant Actuary.*—WM. GIBSON, F.F.A.

Cashier.—R. J. NIVEN. *Accountant.*—ROBERT RODGER.

Law Agent.—WILLIAM STUART FRASER, W.S.

Medical Officer.—P. H. MACLAREN, M.D.

Auditor.—RICHARD BROWN, C.A.

10



Caledonian Fire-Office.

A HUNDRED YEARS UNDER FIVE SOVEREIGNS



IN the world of Insurance 1805, which the great world remembers as the year of Trafalgar, is held in memory as the birth-year of the *Caledonian Insurance Company*. The floating of a new Fire Insurance Company is an event too often repeated to make much stir in modern history. In 1805 it was not so

small an affair. It is true that the *Caledonian* was not the first of its kind in Scotland. From *The New Scots Almanack* of 1805 it appears that there were already four Scottish Companies. These were the *Edinburgh Friendly Insurance Office*, the *Glasgow Fire Office*, the *Dundee Fire Office*, and the *Aberdeen Fire Office*. The three last were represented by Agencies in Edinburgh ; so also were eight English Offices. In the hundred years that have passed since 1805 hundreds of Fire Companies have been formed, and many of them have ceased to be. Old Companies have died as well as new, and now the *Caledonian* is, and has been for nearly sixty years, the oldest Scottish Insurance Company. It was raised to that distinction when the *Friendly*, founded in 1720, was taken over by the *Sun Fire Office* of London in 1847. In England alone are its seniors to be found, eleven in number—nine Fire or Fire and Life, and two Life—founded at various dates from 1696 to 1802.

Insurance methods a hundred years ago were not exactly what they are now. Public opinion, habits of thought, material conditions, were too far removed from ours to allow that. The *New Scots Almanack* of 1805, already cited, offers a few interesting illustrations. It bears a stamp for a shilling of duty. Not less than thirty of its pages would suffice for particulars of Taxes of different kinds, the obnoxious Window Tax among them. The Edinburgh licensed Lottery Offices still sent their

advertisements through the streets, carried on poles by Highlanders. The stage-coach left daily for Glasgow, fares 14s. inside, 8s. outside. To London the fare was seven guineas. Letters were carried within the city and to the neighbouring villages for 1d., to London for 11d. There was no London mail on Thursdays, but to Glasgow, Dundee, and Aberdeen letters were despatched daily at a charge of 5d., 6d., and 8d. respectively. Two years earlier the Postmaster-General had instituted a new arrangement, whereby the mail from Edinburgh to Glasgow was carried in a mail-cart, and the driver armed with cutlass and pistols, by which improvement greater security was hoped for. In its internal affairs Edinburgh saw a great change begin in 1805, with the passing of the Police Act, which, besides providing for the numbering of houses, naming of streets and the like, and setting the cleaning, lighting, and police on a new footing, took away much of the picturesqueness of city life, by cutting down the Town Guard to a mere fragment.

Another great change of the century, more germane to the subject of this History, was the abolition of the Duty on Fire Insurance, first imposed in 1782. When the *Caledonian* started in 1805 the Directors got a licence from the Government, on giving bond for the Duties for £3000. The Duty was then at the rate of 2s. 6d. per cent. In 1815 it was raised to 3s. After much agitation in Parliament and elsewhere it was reduced in 1864 to

1s. 6d. on stock-in-trade, and in 1865 on all Fire Insurances. The obnoxious impost, really a tax on prudence, was entirely repealed in 1869. Besides this there was the much older Stamp Duty, which in 1805 was 1s. on each policy. In 1833 Farming Stock Policies were exempted, and in 1865 the rate was fixed at a penny stamp on each Fire Policy.

It is said that the immediate cause of the foundation of the *Caledonian Insurance Company* was a fire, in the premises of an enterprising Edinburgh merchant, Mr. Forrest Alexander. It has already been noted that some of the English Companies did business in Edinburgh. Mr. Alexander doubtless congratulated himself on his foresight in insuring in one of these. All would have been well had not his cashier postponed, for one day after it became due, the payment of the renewal premium. The Company was thus entitled to refuse to pay, and the loss, to the amount of £600, fell on Mr. Alexander's own head. This vexed him not a little, and set him thinking on the situation. It seemed to him undesirable that all Scottish premiums should go to London, and as he was a man of ability and energy, the result of his cogitations was the founding of the *Caledonian Insurance Company*.

We find from the first General Minute Book of the Company, that on 3rd May 1805 a meeting was held 'of the Friends to a New Insurance Company . . . under the denomination of the Caledonian Insurance Company.'

A HUNDRED YEARS UNDER FIVE SOVEREIGNS 13

It was decided 'That the Capital Stock shall be one hundred thousand pounds sterling, to be subscribed in shares of one hundred pounds each, and that no individual shall have more than ten shares.' The venture was, however, so prosperous, that at a meeting on 29th July of the same year it was agreed to raise the Capital Stock to £150,000.

The Company began business at Whitsunday. Its first office was at 7 Hunter Square, in premises belonging to the firm of Braidwood and Company, ironmongers and general merchants. Mr. William Braidwood was appointed Manager on 4th June, and at the same time Mr. William Dickie became Secretary. Each of these gentlemen was required to find 'Caution' or personal security, which in Mr. Braidwood's case was to be for £2000. The first contract of co-partnery shows that £100,000 had been subscribed by two hundred and twenty-two persons. It is interesting, in contrast with the present conditions of the world of finance, to note that the money was lodged in the Royal Bank at 4 per cent. interest. In the following March salaries were arranged. The Manager and the Secretary got £150 each, and the former £20 in addition as Cash Keeper. The Directors, who had had to give a bond for Duties for £3000 before the Government granted a licence, met every two days without receiving any fees. This was not found to encourage regular attendance, but it was only in

1832 that, as the General Minute Book puts it, 'Mr. Archibald Anderson moved "That a sum not exceeding Sixty Pounds be allowed for the Directors annually, to be divided as they shall direct, with the view of calling the Directors together more regularly and statedly, when the business of the Company under their management will have the benefit of their united consideration." This motion having been duly seconded was adopted, after some remarks by Mr. Charles White and Mr. John Watson, as to the amount, they agreeing in the principle but thinking that a smaller sum might be sufficient.'

The Scots Thistle, which forms one of our illustrations (p. 19), appeared in the heading of the 'Proposals of the Caledonian Insurance Company.' The word 'Proposals' may mislead those who are familiar with the vocabulary of modern Insurance. The document is really a circular, apparently the first issued by the Company, stating its objects in a few pithy paragraphs, describing the kinds of risks it proposes to take, and detailing the 'conditions of Insurance,' twelve in number, and not fundamentally different from those now in use. The date of this circular is 3rd June 1805. A second followed on 31st July :—

CALEDONIAN FIRE OFFICE,
No. 7 HUNTER SQUARE,
EDINBURGH, 31 *July* 1805.

SIR,

I beg leave to recommend to your attention the Plan and Terms of the CALEDONIAN INSURANCE COMPANY, which has

A HUNDRED YEARS UNDER FIVE SOVEREIGNS 15

been instituted for the sole purpose of insuring against Loss and Damage by Fire, under the management of the following Gentlemen, who have been chosen Directors for this year at a General Meeting of the Company :—

Messrs. JOHN CAMPBELL, W.S.

- „ THOMAS HUTCHISON, Merchant.
- „ DONALD CAMERON, of Blainslie.
- „ JAMES FERGUSON, of Crosshill, Advocate.
- „ WILLIAM INGLIS, W.S.
- „ HENRY RAEBURN, of St. Bernards.
- „ JAMES CATHCART, Merchant.
- „ ROBERT SCOTT MONCRIEF, Merchant.
- „ FORREST ALEXANDER, Merchant.
- „ WILLIAM M'LEAN, Merchant.
- „ JOHN WATSON, Merchant.
- „ ARCHIBALD CAMPBELL, Brewer.

This Company consists of a great number of Proprietors, all jointly and severally bound. A more unexceptionable security, therefore, cannot be offered to the Public.

While English Fire Offices increase in number, and endeavour to extend their influence, the propriety of a Scotch Establishment of this nature cannot be doubted ; and the inhabitants of Scotland will easily perceive the advantages that will accrue to them from having their business transacted nearer home, and from retaining annually, and circulating in this country, a considerable sum of money, which would otherwise be remitted to distant places.

Common Insurances, on Risks not exceeding £3000 upon one subject, are effected at this Office, at an annual Premium of 2s. per cent. ; hazardous, 3s. ; doubly hazardous, 5s.

Wearing Apparel, Bed and Table Linen, printed Books, Plate, and Liquors in private use, may be insured under the general description or denomination of *Furniture*, without specifying a sum for each of these articles. This regulation prevents much inconvenience and risk, to which persons insured would otherwise be subjected.

Farming Stock and Utensils may likewise be insured at the reduced annual Premium of 2s. 6d. per cent.

Policies, in all cases, are furnished gratis.

By insuring your Property at this Office, and recommending the Company to your Friends, you will oblige all the Proprietors.

I am respectfully,

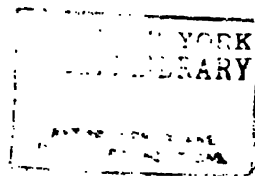
SIR,

Your most obedient Servant,

(Signed) WILLIAM DICKIE, *Secretary.*

[Printed on p. 286, vol. iii., *Jottings*. The original circular is framed in the Board Room.]

It will be seen that the circular is not without a certain terse vigour. One notes among the names of the twelve original directors that of Forrest Alexander, who lived long enough to see his new venture become one of the leading Fire Insurance Companies of Great Britain. The greater name of Henry Raeburn, of St. Bernards, shows that he at least was not one of those who consider art and finance incompatible. After the first year, however, he found that a Director's duties demanded more time than he was willing to spare from his art; and he therefore



left the Board. Sir Henry's connection with the Company has left monuments not only in the portraits of Mr. Braidwood and Mr. William Dickie, that still decorate the walls of the Board Room, but also in the admirable design that heads the old policies and the present narrative (p. 9). Among the policies which bear this design, two of special interest hang framed in the Board Room at the Head Office. No. 176, here reproduced, is the oldest extant. Its date is 21st August 1805. It is for £1200, in the name of C. Handyside, Farmer, Inveresk. The other, next in age, is No. 538, dated 15th November of the same year, in name of J. Dudgeon, covering the Leith Tontine Buildings, also for £1200. Policy No. 2688 is also worthy of note. It was issued in 1807 (for £100), and is still in force. Raeburn's design continued in use till about 1838, when a much feebler one took its place, to be succeeded about 1851 by the allegorical design familiar to the policyholders of the present day. It is reproduced on p. 46.

The young Company was not afraid to venture. Early in its first year (10th June) the Directors accepted two risks of £5000 each, notwithstanding that only five days earlier they had fixed £3000 as the limit. When the first Annual Meeting was held on 3rd July 1806, the Report showed that risks to the amount of £1,600,000 had been covered.

The Company's enterprise was tempered with caution.

It refused to insure warehouses adjoining cotton mills, or to take any foreign risks; but it did not fail to appoint Agents at home. This was done with exceeding care. Each Agent appointed had to give sufficient caution. The first was the cashier of the Royal Bank, Glasgow (3rd July). Afterwards others were added, but only one apparently for each town. With a self-denial that reads strangely nowadays, it was decided to appoint no Agent in Leith for the first year. Towards the end of that year the *Scots Magazine* announced that the Company consisted of '400 respectable members,' and that 'A few days ago ten shares of this stock were purchased at a premium of 100 per cent. on the sum advanced by the original proprietors.' By this time things had gone so well with the *Caledonian*, that the Hunter Square office was too small for the business. In February 1806 the first flat on the west side of South Bridge (No. 93) was taken at an annual rent of £70. It remained the home of the Company until 1811.

The first Fire Loss was reported in September 1805. A carpet and a hearthrug were damaged, and new articles were put in their place at a cost of £12, 2s. 2d. The old sold for £2, 14s. The claimant was a Canongate innkeeper.

Another part of the first year's activities is now of antiquarian interest. One of the first things that the Directors did was to order 'a Tin plate or Copper Ticket,

A HUNDRED YEARS UNDER FIVE SOVEREIGNS 19

or office mark for affixing to Buildings insured at this office to be made in Edin' or Birmingham. A neat Thistle on the Circular part, and at the bottom the word "CALEDONIAN."



The specimens that have been examined are of copper—tin and lead were used by some Companies. Few of the *Caledonian's* Fire Marks now exist, but it is recorded that when the Company was young, they might be seen on about half of the houses in such principal streets as High Street, South Bridge, and Princes Street. Its presence indicated that a building had been insured. Insurance Companies had then their own fire engines and brigades, and though, as a matter of humanity, they did not withhold their services in any case, the firemen would look first to the safety of houses bearing their Company's Mark. It was thus a convenient means of apportioning the firemen's

energies, where interests conflicted, in favour of insurers. Thus it must have been felt by the householder as a real protection. It was some months after the Fire Mark had been decreed, that Bramah and Son, London, were asked to furnish a fire-engine 'of the most approved construction.' The Magistrates allowed it to be kept in the Water Yard, Castle Hill. Soon afterwards an alarm bell was put up on the wall of the yard. There were fourteen firemen. Their livery was thus ordered: 'the jacket and trousers to be of blue, with inlays, turnups, and a thistle of orange; and the helmet to have a thistle in front, with the word "Caledonian" printed under it.' The outfit cost £32 in all. In 1819 the sum of two guineas was voted to the Glasgow Superintendent of Police, Mr. Black, for his invention of 'a plan for sewing the engine pipes with copper.' This part of the Company's work was destined to end, when the extinguishing of fires should be recognised as a public duty. In 1824 a City Fire Establishment was formed. The Company handed over its appliances to the Commissioners of Police, and agreed to pay £20 a year, a piece of liberality not to be commended from an Insurance point of view.

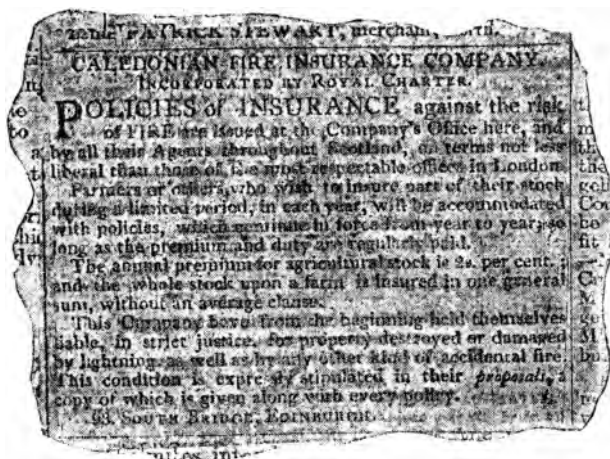
It was very early decided that it would be inexpedient to start Life business. This decision of 1808 did not end the question, which became acute about twenty years later, and in 1833 was settled by the addition of a Life Department to the Company's work; but that is a matter

that falls to be more fully dealt with by itself. Eighteen hundred and thirty-three, however, is an important date in the history of the Company. The original contract had been for thirty-one years; it was now extended for other thirty-one years. The first quarter-century had been prosperous, not of course without some losses. In 1808 it was stated that a dividend of ten per cent. would be possible, but it was determined to accumulate. Next year in like manner the Annual Meeting—held in the Royal Exchange Coffee-house—decided that no dividend should be paid until the profits should amount to £15,000. By 1833 the Company had doubled its original capital, and paid dividends averaging eight per cent. for each year of its existence.

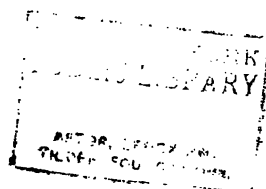
This energy, which the Company combined with caution, sometimes passed into aggressiveness. In 1810, the year in which it obtained a Royal Charter, it issued a circular of a somewhat controversial character, advising the proprietors to send all the Insurances they could influence to the *Caledonian*, rather than to two other Scottish Offices whose names were not withheld. Foreign risks it continued to refuse; it still avoided cotton-mills and adjoining warehouses, and also lint-mills. A trial of cotton-mills under certain conditions was made towards the end of the period, but the losses were great, and in 1833 the experiment ended. The progress of gas as an illuminant was naturally the cause of some shyness. In 1818 no pro-

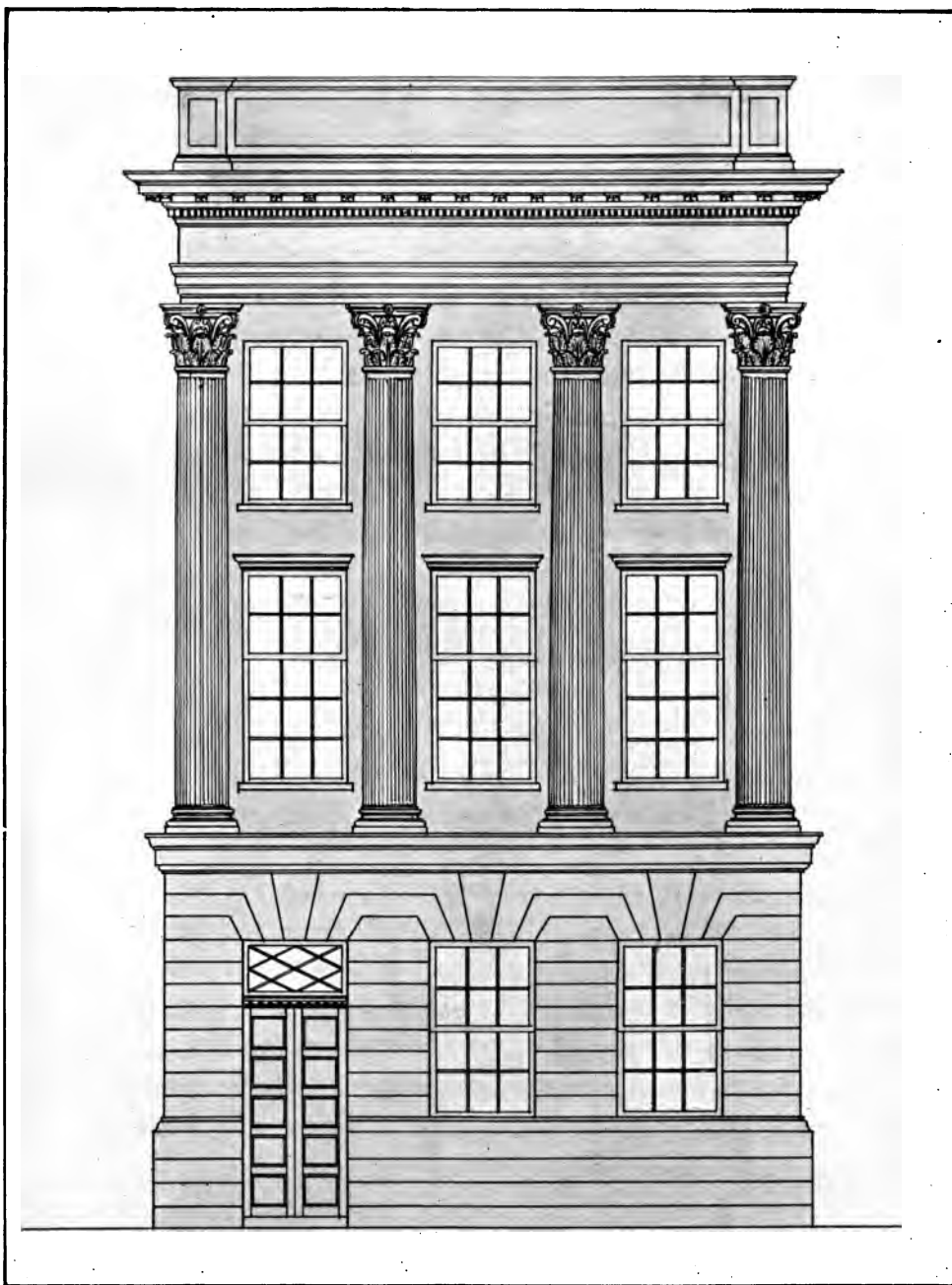
perties in which gas-meters were placed were to be insured, without a clause providing for non-liability for loss by explosion. In 1821 there is a Minute explicitly admitting that fires resulting from gas explosions are to be paid for, but quaintly concluding 'that the C^o shall not be answerable for Damage resulting from mere Explosion, unless the other offices agree to take that risk.'

As an example of an Insurance Company's mode of appeal to the public a hundred years ago, we give an advertisement from a newspaper cutting. It will be



observed that the word 'Proposals' is used in the earlier sense already noted. These Proposals, without the argumentative preamble, were afterwards printed above the Conditions on the back of the policy itself until 1875.





CALEDONIAN HEAD OFFICE—BUILT 1840.

D. BRYCE, *Architect.*

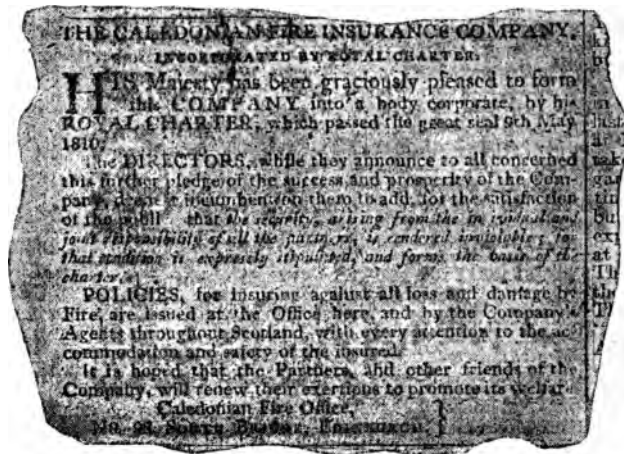
A HUNDRED YEARS UNDER FIVE SOVEREIGNS 23

They were then discontinued as of no practical value. The date of the advertisement has not been determined, but it cannot have been after 1811, for in that year the Company removed from 93 South Bridge to 13 Bank Street, over the shop of Messrs. Bell and Bradfute, publishers.

In 1813 the Company began an invasion of England, by the establishment of Agencies. A Dublin branch was opened in 1834, and in both countries the *Caledonian* is widely represented.

Soon the Company found it expedient once more to shift its headquarters, this time to the New Town. In 1840 it bought a property at 19 George Street, where ever since it has been housed. Plans for rebuilding were at once prepared by Mr. Bryce. The elevation is still partially shown in the design at the head of the policies, but we are glad now to exhibit the old façade in full. There is a tradition that Ruskin declared it one of the most correct examples of its style of architecture which he had ever seen. Adjoining buildings were afterwards acquired, and the Company's property there now forms a considerable block. Increasing business, however, made enlargement and reconstruction necessary in 1878-81, and again in 1903. Between these dates there were shops on the ground floor. An augmented staff made the space more valuable to the Company than the rents. In 1903, therefore, the leases were not renewed, and the façade was given its present more consistent character (see frontispiece).

The date of the Company's Royal Charter is 1810, and the way in which the fact was made known to the public is shown in an advertisement of about that date, of which we here give a facsimile. In 1846 it was incorporated by Act of Parliament. Its powers were extended by an Act of 1880, and in 1892 further extended by Act 55 Victoria, chapter vii.



The later history of an old Insurance Company, though in a sense fuller than what went before, is less rich in incident. In its earlier years there are the beginnings of its various activities to record. The closing of these would form a series of events of like order; but the *Caledonian* is far from senility. The best that can be done is to mark a few of the milestones in its progress,

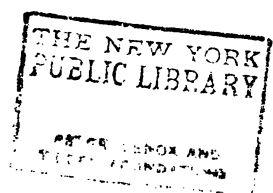
as is done in the separate accounts of Life and Foreign Business (pp. 27 and 31); or to preserve some such memory of the personality of its most prominent officials, as the notes on Managers and Secretaries enshrine.

There is, however, one incident that belongs to one of the later developments in the history of Insurance Companies—that is the establishment of the Company's magazine, *Caledonian Jottings*. It is nearly two hundred years since the *Sun Fire Office* led the way, by publishing *The British Mercury*, in promotion of its own interests. But that paper did not live many years. The general Insurance press does not begin until 1840, when the father of all Insurance papers, *The Post Magazine*, was established. It was only towards the end of the nineteenth century that the Companies began once more to have magazines of their own. Of these *Caledonian Jottings* is the second in Britain, the first in Scotland. The idea was the late Mr. Deuchar's. In 1891 he issued the first number 'for private circulation among the Agents and Officers of the Caledonian Insurance Company.' It contained only sixteen pages, and in its modest editorial it professed to give 'jottings regarding the progress of the Company's business, and its doings at home and abroad.' Since then some of the issues have contained thirty-six pages, and though it has never paid for a single article, the supply has usually been well kept up. Three numbers a year was all that Mr. Deuchar attempted at first, but by No. 5

(January 1893) it was found better to publish once a quarter. A very interesting article on 'Eighteen Hundred and Five' appeared in vol. i. pp. 127-139. It was signed 'Senex.' Senex was a frequent and much-valued contributor, without whom the magazine would never have become what it is. There is no reason now why we should not lift the veil, for Senex was none other than the first editor, whose versatile mind and cultured literary skill meant more to the *Jottings* than can well now be expressed. To edit a quarterly magazine, however, was too much to expect of the hard-wrought General Manager of a big and growing Company, and No. 13 (1st January 1895) announced a change. 'At the outset,' it was there stated, 'Mr. Deuchar only contemplated acting as Editor for the first twelve months; but at the urgent solicitation of others, who were associated with him in the work, he agreed to continue in office until the publication could be regarded as an assured success.'¹ Mr. R. J. Niven, the Cashier of the Company, who as sub-editor had been associated with Mr. Deuchar from the beginning, was induced to take the editorial chair; but, as he said in his first leader, he was glad still to be able to regard Mr. Deuchar as *rédacteur en chef*, and to be allowed to apply to him in cases of difficulty or doubt.² What this means may be judged from the note of personal loss that marks the close of the obituary notice in the number for January 1905.

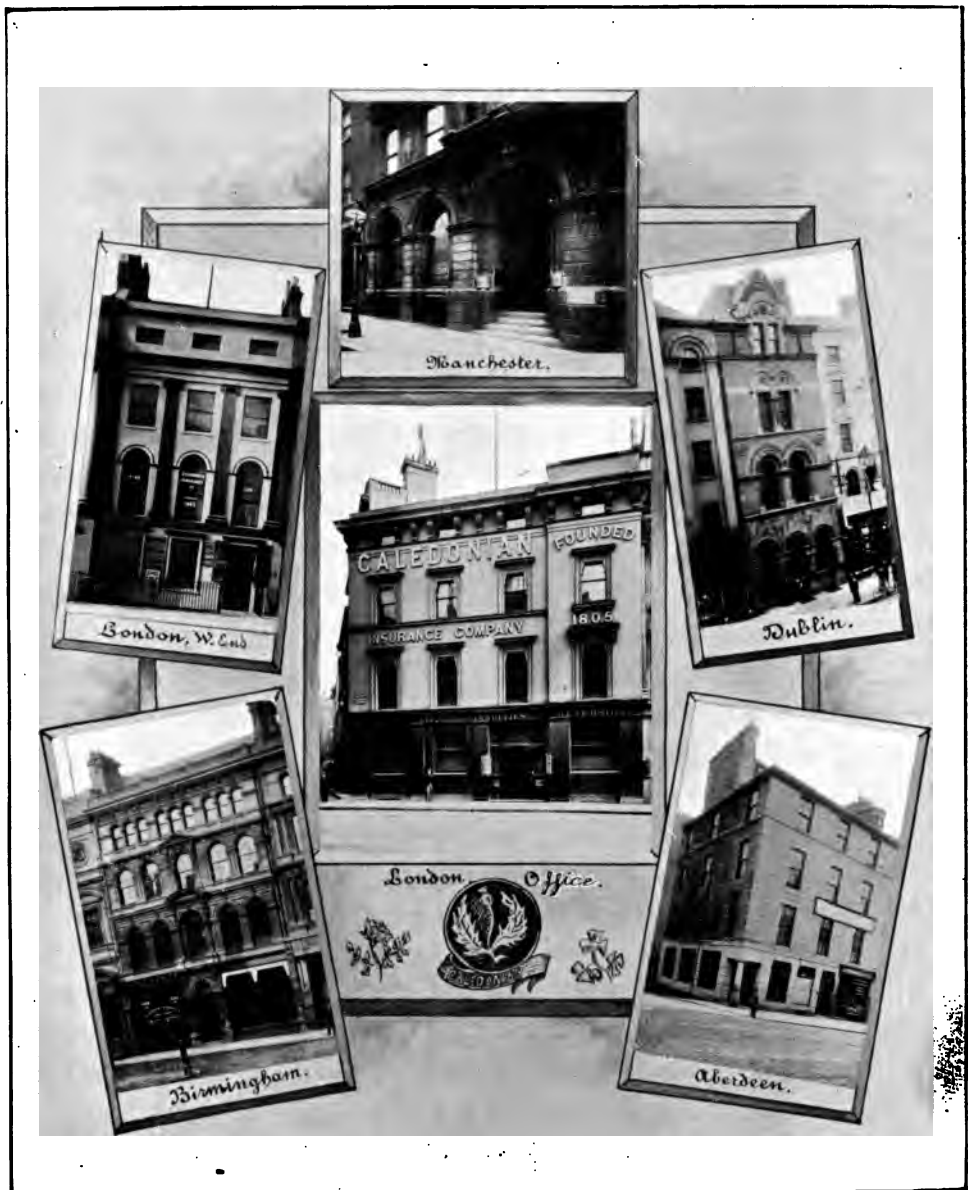
¹ *Caledonian Jottings*, vol. ii. p. 102.

² *Ibid.*, vol. ii. p. 103.





HEAD OFFICE AND BRANCH OFFICES.



LONDON OFFICE AND BRANCH OFFICES.

175-20
1051-14





LIFE BUSINESS



It has been already pointed out, the Company was founded in 1805, under a contract of co-partnery for thirty-one years, and for the carrying on of Fire Insurance only. In 1808 the idea of doing Life Assurance was considered, but not entertained. At the Annual Meeting in 1828, however, a report on the subject of Life Assurance was read, stating that when the Company was instituted in 1805, Life Assurance was little understood in Scotland, that the benefits resulting from it were little known, and that the practice of assuring lives was very rare.

The report went on to say, that from 1815 other Scottish Companies had undertaken Life business, and that there were then (1828) six Offices in existence. The statement read was approved, and it was agreed to communicate with the proprietors. This was done, with the result that only two-thirds agreed, and a similar result followed a subsequent attempt.

In 1833, however, a special meeting was called, at which

it was shown that the *Caledonian* had doubled its original capital of £100,000, and had paid dividends which averaged eight per cent. for each year of its existence. At this meeting details as to Life business were given, from Babbage and other authors, and the probable rates of premium were indicated; the result being, that it was agreed to extend the Contract of the Company for other thirty-one years, and to add the business of Life Assurance. Life business was actually commenced in July 1833, and 99 policies were issued up to 1st June 1834, the new business for that year amounting to £48,550; in contrast with which, last year (1904) 1510 policies were issued for £668,660. The total number of policies in force at the end of 1904 was 18,304, assuring £8,018,607, and the claims paid exceeded three and a quarter millions (£3,267,990).

In 1843, the tenth year of the Life business, it was agreed to make an investigation, and to employ the Carlisle Table, with interest at three per cent., investigations in future to be septennial. The Auditor, Mr. Richard Gordon, made an elaborate report upon the investigation. Auditors nowadays have their hands full enough with the audit proper, without undertaking the valuation of the Life Contract. Mr. Joshua Milne, of the *Sun Life*, who compiled the Carlisle Table, from the Mortality statistics of Dr. Heysham, approved of the principles on which the investigation and valuation were made.

As to bonus, it was agreed to allot five-sixths of the

ascertained profits to participating policies of five years' standing and upwards. Since 1892 the profits have been distributed every five years, and in 1903 the Directors increased the proportion allotted to policyholders to nine-tenths.

The *Caledonian* has always kept abreast of the times, and its tables and new schemes of assurance, as well as the liberal conditions of its policies, are all adapted to meet modern requirements. It was one of the first to make policies non-forfeitable, by a simple plan which works automatically. Ordinary policies were then, with certain exceptions, made world-wide. In 1891 the Company introduced a scheme of Life Assurance without medical examination, the policy being a Double Endowment Assurance, where the amount payable on attaining a selected age is double the amount payable at death. The Table is a very popular one. In 1886 it was agreed that the claims should be paid ten days after proof of death and title. But seeing that this is a history, and not a prospectus, it is sufficient to indicate that the *Caledonian* is a popular up-to-date Office, with all real improvements. And it is only giving honour to whom honour is due, to say that these facilities have been offered to the public under the management of the late Mr. Deuchar.

The funds of the Life Department were originally invested in the Fire Department, at five per cent. on the

annual balances, and current bank interest on intermediate monthly balances; but in 1843 it was agreed in future to invest the Life funds separately, in securities for their behoof.

The progress of the Company is shown by the following Table, giving amount of new business, annual premiums, and accumulated funds, say, for the first year, and for quinquennial periods thereafter.

LIFE DEPARTMENT—GROSS NEW BUSINESS, NET PREMIUM INCOME, AND TOTAL FUNDS

	Gross New Business.	Net Premium Income.	TOTAL FUNDS.
1834	48,550	1,501	1,375
1839	137,015	17,947	29,717
1844	60,940	21,417	72,368
1849	95,700	24,128	117,789
1854	113,775	29,725	220,252
1859	77,966	30,860	262,513
1864	135,040	36,000	313,637
1869	132,570	42,921	383,686
1874	127,675	49,035	468,728
1879	212,490	65,951	621,957
1884	324,219	83,956	774,861
1889	466,065	114,947	978,872
1894	573,416	150,560	1,247,079
1899	541,852	189,481	1,764,838
1904	668,660	224,923	2,239,506



FOREIGN FIRE BUSINESS



UNDER this section the Company classes not only business from the United States of America and other foreign countries, but that from the British Colonies as well. Home business is entirely confined to the British Isles.

The *Caledonian* did not rashly enter the foreign field, and indeed, early in the first year of the Company's existence, it was resolved that no foreign risks be taken. Much less was there any idea of establishing an office in any foreign country. Again, in 1859, the subject was brought up, but the Company declined to open business even in Canada, and in 1878 the idea of beginning in the United States was rejected.

In 1877, however, when the *Caledonian* took over the *Scottish Fire Insurance Company*, it found a considerable Foreign Business in existence. Part of this it was judged well to continue. Thus began what in the hands of the old Company has become a very large business indeed.

CONTINENT OF EUROPE

By various arrangements with other Companies, and directly, Agents were appointed in different parts of the Continent. But after full consideration these Agencies have been discontinued.

VARIOUS PLACES

In 1879 Agents were appointed in Calcutta, in 1881 in Yokohama, and in the same year it was agreed that Colonial and Foreign Business should be cultivated carefully. In 1882 the Company was represented in Colombo, and in Pietermaritzburg, and a little later at Port Elizabeth, Valparaiso, Rangoon, Alexandria, and Hong Kong. The Agencies formed in all these places have, like those in Europe, been discontinued.

CANADA

This connection was opened in 1883, and a considerable business was done by the Agency of Messrs. Taylor at Montreal, until in 1891 Mr. Taylor retired; and Mr. Lansing Lewis, who had been an Agent at Winnipeg, was appointed Manager for Canada at Montreal. In 1900 Mr. John G. Borthwick was appointed Secretary under Mr. Lewis. There is at present a good business in the Dominion.

AUSTRALIA

In Australia there are offices in Melbourne, Sydney, Adelaide, Perth, and Brisbane, all in communication with Mr. George Chapman at Melbourne, Manager for these Colonies.

SOUTH AFRICA

The Pietermaritzburg and Port Elizabeth Agencies have already been mentioned. After various arrangements the *Caledonian* in 1895 did business in conjunction with a local Company, but when the latter was bought up by a British Company the *Caledonian* retired.

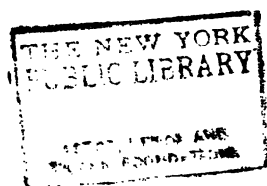
UNITED STATES

The British Insurance Offices in the United States were undoubtedly much strengthened after the great conflagrations of Chicago in 1871 and Boston in 1872, which cost between them many millions sterling. While some offices paid their losses only in part, or succumbed altogether, the British Companies paid promptly and in full. The standing thus gained has improved as time has gone on.

In appointing the firm of Balfour, Guthrie and Co. in 1885 to be General Agents for all States west of the Rocky Mountains, the *Caledonian Insurance Company*

began its American business, which was to become a very important part of the whole. A second step was the beginning of more general operations in the United States, with Mr. H. W. Brown of Philadelphia as Manager. Personal visits were made in 1889 by Mr. Deuchar, and in 1892 by Mr. Cowan, the Fire Superintendent. In the latter year Mr. Deuchar went out again, with two Directors, and on Mr. Brown's retirement, concluded an arrangement whereby the offices of the *Niagara Fire Insurance Company* of New York were placed in joint management of the *Caledonian's* United States business. The business of the two Companies was then conducted on an equal basis, each sharing alike. Difficulties arose, however, and in 1894 Mr. Deuchar revisited New York. The contract was cancelled by mutual agreement. Mr. Charles H. Post, who had been one of the Joint-Managers of the *Caledonian*, and one of the Secretaries of the *Niagara*, was made *Caledonian* Manager for the United States, and the whole of the Company's business there, except that on the Pacific Coast, was placed under his care. The United States Branch was established in offices at 27, 29, and 30 Pine Street, New York.

In 1897 Mr. Post visited Edinburgh, and, after careful deliberation, an American Company, the *Caledonian American*, was formed, with a United States Charter. Mr. Post became President; the Directors were Messrs. James M'Govern, Charles N. Finch, Charles B. Lawrence,





CALEDONIAN INSURANCE COMPANY'S BUILDING,
50 AND 52 PINE STREET, NEW YORK.



MR. C. H. POST,
United States Manager.

Charles F. Mathewson, and the Hon. Milo B. Richardson. In the beginning of 1898 the Pacific Coast came into direct communication with the New York office, which now, under Mr. Post's management, controls the whole of the United States business. In 1899 three Directors and the General Manager visited the United States, and went thoroughly into the affairs of the Branch. With Mr. Post they made a tour of the principal cities. Such had been the growth of the business, that arrangements were made which resulted eventually in the purchase of a valuable property at 50-52 Pine Street. The site is now occupied by the building of which we show the elevation.

Mr. Chas. Henderson Post, a note of whose career appears, with his portrait, in *Caledonian Jottings*, vol. iv. pp. 319 and 322, is still in his prime, having been born in 1856. As was said of him by *The Investigator* of Chicago, 'He has an alert ready mind, is quick to see, and prompt to decide, is a good judge of men, intensely practical, and systematic, and withal a genial and pleasant gentleman.'

The financial condition of the *Caledonian* in the United States is well illustrated by the way in which it has stood the test of recent conflagrations. For the fire at Jacksonville, Fla., 1901, the net amount paid was \$107,873, at Paterson, N.J., 1902, \$31,532, at Baltimore, \$248,292. Most foreign Companies had to send for remittances from

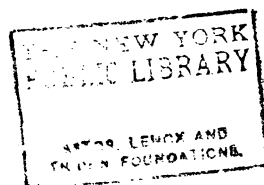
home. The *Caledonian* paid all these losses without having to adopt this expedient.

The funds of the Company in the United States are under the control of local Trustees. These are three most prominent men, Messrs. J. Kennedy Tod, Dumont Clarke, and R. J. Cross.

The management of the Branch is in the hands of men trained to Insurance business, most of them acquainted with both office and field work. This puts the Company in close touch with its fourteen hundred Agents, and enables the business to be conducted in a practical and not a merely theoretical way.

The best foreign Companies in the United States of America act in a very friendly way with the leading American Companies. Their conduct has been of such a straightforward character that Americans have come to look upon them as prominent and permanent American institutions. Among these foreign Companies the *Caledonian* stands high, with an honourable reputation for sound practice.







MR. WM. BRAIDWOOD, *First Manager.*



MR. WM. DICKIE, *First Secretary.*



MR. H. D. DICKIE, *Second Manager.*



MR. JOHN MOINET, *Third Manager.*



MANAGERS AND SECRETARIES



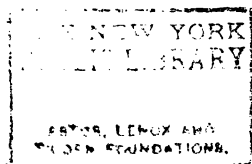
HE first Manager was MR. WILLIAM BRAIDWOOD, born in Edinburgh on 27th February 1751, son of William Braidwood, candlemaker at the head of the West Bow. He was apprenticed to Mr. Grant, a highly respected ironmonger and hardware merchant in Edinburgh. At the age of twenty-five he left the Church of Scotland, in which he was brought up, and joined a Congregational Church, of which he was soon ordained a lay pastor. Afterwards he joined the original Baptist Church, and in it became an elder and lay pastor, without stipend. As a preacher he gained some eminence. The writer of his biography in *Caledonian Jottings*, on reading some of his sermons and treatises, was 'much impressed with the perspicuity and force of Mr. Braidwood's style as a writer.'¹ On 4th June 1805, in his fifty-fifth year, he became Manager of the newly

¹ *Caledonian Jottings*, vol. iii. p. 340.

Company. He appears to have been already more than twenty years in the Office when he became Secretary, on Mr. H. D. Dickie's promotion to the Joint-Managership in 1828. The Minutes report his death in 1835, after thirty years of faithful service.

MR. JOHN MOINET, a gentleman of French descent, born in the same year as the Company, was the fourth Secretary and the third Manager. He was trained in the *North British Insurance Company*, and was appointed Secretary of the *Caledonian* in 1835, in succession to Mr. Heggie. In 1861 he succeeded Mr. Dickie as Manager, and held that office till he retired in 1875. Mr. Moinet is described as 'an astute financier.' The many purchases of property made by his advice all proved remunerative. His portrait, by George Paul Chalmers, was painted at the request of the Directors, and still adorns the Board Room. The excellent portrait which we give, however, was found to be more suitable for reproduction by photogravure. Mr. Moinet died at Eldin House, Lasswade, on 11th July 1879.

The fifth Secretary was MR. FREDERICK J. HALLOWS, appointed in 1861, when Mr. Moinet became Manager. He came from the Head Office of the *Liverpool and London*, in Liverpool, and was afterwards Manager of the *Scottish Commercial Insurance Company*.





The Fourth Manager of the Caledonian.

DAVID DEUCHAR, F.R.S.E., F.F.A., F.I.A.

After him in 1866 came MR. GEORGE FAIRBAIRN, for some time Cashier. He served the Company for forty years, and retired in bad health in 1878.

In the fourth Manager, MR. DAVID DEUCHAR, Sir Henry Raeburn is curiously linked with the latest stage of the *Caledonian's* history. At the very outset of his artistic career, Raeburn, then a goldsmith's apprentice, painted a miniature of his friend and encourager David Deuchar, engraver and etcher, from whom some have thought he may have received his first lessons in drawing. This elder Deuchar was the grandfather of the late Manager. Another fact, of even greater interest, is that the Manager's grandmother was a direct descendant of the renowned Baron Napier of Merchiston, the 'inventor' of Logarithms, so that facility in figures may have come to him by heredity.¹ Mr. David Deuchar the younger, then, was trained in the *Standard*, by Mr. William Thomas Thomson. Under his advice he not only studied actuarial science, but attended a course of lectures on law in Edinburgh University. In 1866 he became Assistant-Actuary of the *Caledonian*, and Life Superintendent. In 1869 he became Joint-Actuary of the *Edinburgh Life*, of which he was soon afterwards Joint-Secretary, and then sole Secretary. February 1875 saw him back with the *Caledonian*, as General Manager and Actuary, at the

¹ *Caledonian Jottings*, vol. iv. p. 9.

age of thirty-one. Mr. Deuchar occupied a prominent position as an actuary. At different times he filled all the official positions of the Faculty, up to the Presidency. For several sessions he was Honorary President of the Actuarial Society. He was a Vice-President of the second International Congress of Actuaries, London, 1898; a member of the Actuaries' Club, London; and a corresponding member of the French Institute of Actuaries. For nine years he was Secretary to the Scottish Committee of Fire Insurance Companies. Of the Fire Offices' Committee in London he was a distinguished member. It is quite remarkable that a man whose original training was in Life Assurance, should have become such an authority as he was in Fire Insurance. Mr. Deuchar was one of the founders, and first President, of the Insurance Society of Edinburgh, and successfully filled the post for a second term. As President of the Federation of Insurance Institutes, he delivered an able address at the eighth annual Conference in Edinburgh in June last year.

Under Mr. Deuchar's management, the capital of the Company has been increased from £300,000 to £537,500. Two new Acts of Parliament have been obtained, greatly extending the Company's powers. It has taken over the business of the *Scottish Fire*, *Scottish Metropolitan Fire*, and *Edinburgh Fire Insurance Offices*. Mr. Deuchar has produced new and improved schemes of Life Assurance;

policies have been made world-wide and non-forfeitable; and he wrought out the method by which, under certain conditions, policies are issued without medical examination. Business in the United States, now of such great extent, was begun under Mr. Deuchar's management, and owes much to his able and vigorous supervision. His managership was no sinecure, for he set an example, of hard work and conscientious care, to every one in the service of the Company.

The late General Manager was a many-sided man, of versatile mind and high capacity, accustomed to receive with great urbanity the officials who had to consult him. These consultations came sometimes in rapid succession, on such varied subjects as actuarial questions, fire business or fire losses, foreign business, law, financial transactions or investments; or it might be on literary matters involved in the conduct of his creation, *Caledonian Jottings*: to each of these would he give in turn such clear-headed attention, as if it alone were the subject of his study. He was a Fellow of the Royal Society of Edinburgh, and a Royal Archer. For the last ten years of his life he was Chairman of the 'Courant' Fund for Destitute Children, and in other philanthropic work he took an active part. By his death on 6th November 1904 he missed, by a few months, witnessing the Centenary of the Company in whose service he had spent close upon thirty years.

MR. DAVID JOHN SURENNE, like Mr. Moinet, of French origin, was the sixth Secretary. A sketch of his career is given in *Jottings*, vol. iv. pp. 69-71. His career began in the *Colonial Life*, afterwards merged in the *Standard*, so that he shared with Mr. Deuchar the advantage of a training under Mr. W. T. Thomson. He remained in the *Standard* till 1869, when he was appointed Assistant-Actuary of the *Caledonian*. On Mr. Fairbairn's retirement in 1879 Mr. Surenne succeeded to the Secretaryship, the onerous duties of which he performed successfully, until he retired with a well-earned pension in May 1900.

MR. ROBERT CHAPMAN, the fifth and present Manager, was born in the West Indies on 31st October 1861. His whole business career has been spent in the Company's service, which he entered as a junior clerk on 19th August 1875. From the usual junior's work in the general department he passed to the Fire Department. In 1884 he began eight years of successful work as an inspector in the Life Department. Thereafter he did remarkably good work in the Dundee Secretaryship, to which in 1895 the Aberdeen Secretaryship was added, with like results both in Fire and in Life. After carrying on the two branches for four years, he was for a short time Agency Manager at the Head Office; and on Mr. Surenne's retirement he became Joint-Secretary. In March 1903 Mr. Charles Lees, Secretary at the London Branch,



The Fifth Manager of the Caledonian.

ROBERT CHAPMAN.

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retired, and Mr. Chapman, then appointed to fill the vacancy, was enabled to increase, in this great Insurance centre, his already considerable experience. Soon after Mr. Deuchar's death, Mr. Chapman was singled out by the Directors as his successor in a line of Managers that had all but filled the Company's first century.

The Fire Manager, MR. JAMES COWAN, has also spent his whole business life with the *Caledonian*. He is a native of Glasgow. In 1865 he succeeded his father, in whose office his Insurance career began, as principal surveyor and adjuster of fire losses to the *Caledonian*. As the *Caledonian* was the Company chiefly interested in the Tradeston Mills flour-dust explosion, Mr. Cowan was Chairman of the Committee appointed to investigate the cause and determine the legal position of the Fire Offices. To him also fell the disposal of the salvage. Next year he became Assistant-Secretary at the Head Office of the *Caledonian*. Later he was Fire Superintendent until, on Mr. Surenné's retirement from the Secretaryship in 1900, he was made second officer of the Company with the title of Fire Manager.

MR. RALPH HILL STEWART, the present Secretary and Actuary, was born in Glasgow in 1870. He joined the Head Office in 1888. From junior's work he proceeded to the Life Department. He passed the final examination of the Faculty of Actuaries in 1892. In 1896 he became

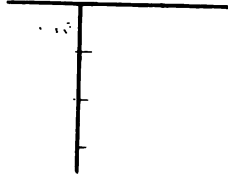
chief clerk in the Life Department of the *Yorkshire Insurance Company* at York. In June 1899 he returned to the *Caledonian* to fill the Assistant-Secretaryship, vacant by the resignation of Mr. A. D. L. Turnbull, who had become Assistant-Actuary of the *Commercial Union Assurance Company*. Next year, when Mr. Surene retired, he was made Joint-Secretary with Mr. Chapman. Early in 1903 he became sole Secretary; and when Mr. Chapman was made Manager, the Directors appointed him Actuary as well as Secretary.

1906 member of Council of Faculty of Actuaries
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